

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 6/14/2012

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Invoke letter of credit.

Exact Wording for the Agenda:

Resolution authorizing the Clerk Treasurer to invoke Southpoint Bank Letter of Credit No. 95002507 for Nature's Landing at the Reserve Phase 3 Subdivision.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: No

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 6-8-12

RESOLUTION NO. 12-_____

WHEREAS, Southpoint Bank issued a certain letter of credit (No. 95002507), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to Southpoint Bank Letter of Credit No. 95002507, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 14th day of June, 2012.

President of the City Council
of the City of Huntsville,
Alabama

APPROVED this the 14th day of June, 2012.

Mayor of the City of
Huntsville, Alabama

S/C AT

SOUTHPOINT BANK

Banking on the Future

IRREVOCABLE LETTER OF CREDIT NO. 95002507

Beneficiary:

City Of Huntsville
P. O. Box 308
Huntsville, AL 35804

Account Party:

SouthPoint Bank
201 Eastside Square
Huntsville, AL 35801

Bank:

SouthPoint Bank
201 Eastside Square
Huntsville, AL 35801

Subject: Article 5 Sidewalk, Letter of Credit for Nature's Landing at the Reserve Phase 3, A RESUBDIVISION OF A PORTION OF LOT 2-A OF A RESUBDIVISION OF LOT 2 LOWE INDUSTRIAL PARK PHASE FOUR AND OTHER LANDS (DOCUMENT NO. 20060216000098080)

Amount: \$48,200.00

Issue Date: June 20, 2011

Expiration Date: June 20, 2012

YTD
28 JUL 11

MS
6/28/11

Gentlemen:

We hereby open out Irrevocable Standby Letter of Credit in your favor, effective June 15, 2011, for the sum not to exceed the aggregate of \$48,200.00. Available by your one or more drafts as SIGHT on us.


All draft(s) drawn under and in compliance with the terms of this Credit prior the expiration thereof will be duly honored if drawn and presented for payment to SouthPoint Bank.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

The original of this Letter of Credit must be presented with any drawing.

We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents as specified.

This Letter of Credit shall be governed by the laws of the State of Alabama, including but not limited to, the Alabama Uniform Commercial Code, as the same may be from time to time amended.



Frank K. Battle
Chief Lending Officer
SouthPoint Bank

OK
C&D
6/29/11

OK C&D
6/29/11